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FISCAL IMPACT STATEMENT

LS 6699

BILL NUMBER: SB 308

NOTE PREPARED: Dec 27, 2012

BILL AMENDED:

SUBJECT: Abandoned Structure Mortgage Liens.

FIRST AUTHOR: Sen. Broden

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: The bill permits a local governmental unit to extinguish a mortgage lien on an abandoned structure under certain circumstances.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The bill may increase costs for a municipality or county to monitor abandoned structures and bring court actions to extinguish a mortgage or vendor's lien. However, the increase in cost may be offset by an indeterminate amount by providing a way to improve structures that are dangerous to a community's health or safety.

The bill outlines the steps a municipality or county would take to extinguish a mortgage or vendor's lien on an abandoned structure that is determined to present a danger to the health or safety of the community. The municipality or county would have to determine that a structure has been abandoned for at least six months and that the structure presents a danger to the community's health and safety. Next, the municipality or county would file an action in a circuit or superior court. The court would issue a provisional order extinguishing the mortgage or vendor's lien and would stay the order for 90 to 180 days. The order to extinguish the mortgage or vendor's lien would be rescinded if the lien has been released by the lienholder or if the lienholder or the owner demonstrated the structure is not abandoned and the property is being repaired or is habitable. If the

structure remains abandoned and the lien is not released, the court would issue an appealable final order, which may be recorded by the recorder in whose office the mortgage is recorded.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Municipalities and counties.

Information Sources:

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